

**MINUTES OF THE GENERAL MEETING
OF THE BIGFORK COUNTY
WATER AND SEWER DISTRICT**

The general meeting of the Bigfork County Water and Sewer District was held on November 10, 2015 at the District office.

ATTENDEES:

Directors: Tom Cahill, Gene Helberg, Bob Keenan, Randall Phelps and Seth Price

District Employees: Julie Spencer, Andy Loudermilk and Vickie Hemphill

Engineering: Jeff Cicon from Morrison Maierle

Other Attendee(s): Gregg Johnston and Robert Millspaugh from Flathead Lake Brewing;

Dan Broston, Farmer for the District's Sludge Farm

READ AND APPROVE MINUTES:

President Keenan opened the November meeting at 7:00 p.m. The minutes of the October Board Meeting were reviewed for approval. Price made a motion to approve, Helberg seconded and President Keenan called for discussion.

Budget questions regarding asset replacement and updates to Rules and Regulations were added to the agenda for the current meeting under committee reports. Other items needing follow up included the SCADA project, a vehicle replacement schedule, wastewater system improvements, sludge storage, Board committee assignments and a meeting with Broston who was in attendance.

Seeing that all follow up items were on the agenda, President Keenan asked for any further discussion. Hearing none, a vote was called; it was unanimously

RESOLVED, that the minutes for the October 2015 Board Meeting be approved as written.

PUBLIC COMMENT

No public comment

AGENDA - ADDITIONS OR CHANGES

President Keenan requested that an agenda line be added to Approve the Agenda for future meetings. At that time, the agenda can be changed to accommodate visiting attendees at the beginning of the meetings to allow them to leave if they desire. For this reason, the committee reports for Pretreatment Regulations and Farmland were moved to the beginning of the meeting.

Pretreatment Regulations Committee – Cahill & Price

Gregg Johnston, owner, and Robert Millspaugh, wastewater operator from Flathead Lake Brewing approached the Board to discuss the issues faced with the Brewery waste treatment. Jeff Cicon began the discussion. On October 28, 2015 Cicon attended the Pre-Treatment Committee meeting along with Julie, Andy, Robert Millspaugh and Tim Jacoby to discuss the restart of their pretreatment process. Prior to this meeting, the manufacturer tested the waste to determine what was preventing the Magellan from working. The testing revealed very high strength wastes. The brewery would like to try side-streaming

some of the higher strength waste, removing some of the yeast and trub (sediment), in an attempt to reduce the BOD (biochemical oxygen demand), nitrogen and phosphorous levels before putting it through their pretreatment plant. The effluent would be strong during start-up, but it's the only way to see if this process would work. At the end of that meeting, it was decided that tests were needed to see what would actually be going into the pretreatment. There was discussion about the challenges for accurate sampling and the need for equalization to prevent big slugs.

Millspaugh addressed the Board. He is waiting for sampling protocol from 48 North Engineering to be put in place before restarting and they have given him a deadline of March or April 2016. Millspaugh will make this schedule available to Julie as soon as he gets it. Con-Tech has indicated that their system was not designed for this use. He believes there is a miscommunication between what type of waste the engineers said the Brewery would be producing and what the manufacturer said their system could feasibly treat. While trying to get to the bottom of all this, the Brewery would like to try the side-streaming to see if it is a workable solution. Millspaugh doesn't want to send strong waste before they are informed and confident. They are currently looking at tanks to hold the side-streamed yeast.

Cicon said they are trying to get a good idea of the contents to determine the effect on the District's system, and are working with Paul Montgomery from Anderson Montgomery Consulting Engineers in Helena for modeling. The engineer from 48 North wants 2 weeks of composite sampling.

Millspaugh said it was an ongoing issue that they get true representative samples. At the beginning of the project, 48 North was leery of sampling from the holding tank; Contech sampled only twice, and that was during peak production/wasting. The remainder of the time was mostly rinse water. The best case scenario is 2 weeks testing, analyzation and then go from there. A permit should be doable by March or April 2016, but it was noted that the MBR plant will need the food this winter. Johnston said that they are paying to have their waste pumped out and land applied and would be happy to send it for food for the MBR.

Cahill noted that the Magellan designed flow rate is 6,500 to 8,000 gpd (gallons per day) but current flows from the brewery are much closer to 4,000 gpd. Adjustments will need to be made to make the Magellan work with these flows.

Millspaugh said that early use of the Magellan was successful until production was ramped up and the yeast levels rose. His hope is that if the yeasts are removed, the plant will operate effectively. Johnston said that the Brewery's goal is 10,000 barrels in the coming years. Current production is about 2,600 barrels. Julie stated that the District will need to put some interim rules in place.

Farm Land – Committee members Helberg, Loudermilk & Broston

Dan Broston took the floor and introduced himself to the new Board members. When discussing the 2015 growing season, he noted that the drought was one of the worst on record and yields were off significantly. Broston participated in a new model insurance program and he is waiting until after the first of the year to see how that will turn out. He estimated the yield at 60 bushels for wheat and 30 for spring wheat. Irrigation would have been nice, but the irrigation company was overwhelmed and would not have been able to get a system in place early enough to prevent the drought damage. Broston discussed the family changes with the business. His sons are helping and also farming in Eastern Montana. He would like to farm for the District another year or two. After the first of the year he will know more details about his part in the irrigation system. He added that irrigation and water rights are vital to the future of the farm. He estimated that revenues were 65-70% off this season and future plans depend a lot on whether the insurance comes through. There was discussion about the moisture levels and Broston said that the soil metering devices showed issues back in June when there was record heat which was compounded by lack of rain. The crop was good quality, but the yield was very light. He discussed the different types of wheat, their protein levels, their pros and cons. Malt barley is grown for seed for Coors and Anheuser Busch.

Directors had questions about the farm wells. The two wells are about 700' deep in the "big aquifer." They tested at 500 gpm for 7 days with excellent static levels and fast recovery. The two wells have 6" casings and should easily provide 1000 gpm flows for irrigation by adding two pumps running at 500 gpm each. Two years usage data will be needed to establish the limits of the water rights and the District has until 2020 to establish this usage. A dry year like 2015 would have increased the water rights.

Broston will remain with the District for the coming year. His contract with the District is a one-third, two thirds split of profits. The volume of sludge injected was discussed. Injection volume is regulated by the EPA permit and limited to the amount of nutrients that the crop can uptake to prevent pollution of ground water with heavy metals, etc. The farm is rotated by thirds with one third planted, one third injected and one third fallow. There was discussion about which third would be injected next season. Broston asked about adding auto steer and GPS to equipment for different applications (fertilizer, seed or spray) to prevent overlaps. He estimates a good system would cost about \$5,000.

MANAGERS AND OPERATORS REPORTS

Julie presented the Managers and Operators reports. Adjustments to the Sewer Charges for Services are expected in November, as many customers irrigated late into the season and will be charged sewage fees on their irrigation use. Vickie explained the billing adjustments and past dues. Julie went through the financials. The income statement should be at 33% at the end of the 1st fiscal quarter of the unapproved Budget for Fiscal Year 2016. It was noted that the semi-annual debt services would be done next month which would affect cash balances. Plant maintenance has reached budget, so Julie suggested that this figure be adjusted when the committee meets. Three checks were written between Board meetings; to UPSP for postage to mail bills; to City Service Valcon for diesel; to Assurant for Health Insurance. The payables were reviewed with no comment.

Julie received information about 911 assessments and storm water assessments on the tank site. The Directors instructed her to protest the assessments. Price asked if there were any updates on the appraisal for Windsor Court Lot 7 and Julie reported that the appraiser got the easement docs.

Andy's report explained the costs to date on the SCADA (Supervisory Control and Data Acquisition) system. He explained the history of the system. In 2012, the former contractor had quoted \$18,000 to add SCADA to the EB North & South lift stations, but not until the communications issues with the rest of the system were corrected. He was unable to get it working correctly so EB North & South were not done. Chris Cocozzo an engineer with Control Engineers came on board during the MBR plant construction. Andy consulted with him to fix and improve what the former engineer had started. Andy met with the construction committee for a budget approval of \$12,500 additional to do that portion of the work. When the electrician's price to install and handle any contingencies is added, it brings the project in a little over budget. The SCADA system should be online by spring. Currently, the system is line-of-sight which is difficult with the lay of the land in Bigfork. Going forward the communications will be changing to cellular. The initial investment is less expensive with cellular modems, but adds a monthly cellular bill at each site where they are installed. The five new sites will be cellular and the main site on top of the hill will have a cellular modem as well. This work will get alarms on all sites except the four in Harbor Village that still have dialers with all their shortcomings. Conversion of those stations will be done at some point in the future.

President Keenan called for a motion to approve the Managers & Operations reports. Helberg moved, Cahill seconded and it was unanimously

RESOLVED, that the Managers and Operators reports for October be approved.

OLD BUSINESS

Engineering Report –Jeff Cicon with Morrison-Maierle (written report included in packet)

- *Sludge Storage* – Cicon said that while there are firms that can test the structural strength of the existing upper storage tank with an ultrasonic tester, the testing is very costly (he estimated \$40,000-\$50,000) and the 50-year-old tank has been in a very harsh environment for steel. If the tests were done, and if the tank was found structurally sound, it would still require relining to use it. After consulting with other engineers, he recommends the tank and the building that houses it be replaced rather than relined as it is probably at the end of its useful life. There was further discussion about options for creating sludge storage including conversion of basins in the old plant. Task Order #27 for \$19,400 was presented to the Board for possible approval. This task order is for Morrison-Maierle to research options and the prices for sludge storage and thickening needs such as retro-fitting the old plant basins, adding double-stacked membranes in the MBR plant to allow year-round thickening, sludge storage at the farm and/or other options. This study would be needed to pursue any grant funding at the next legislature and to incorporate these items into the wastewater PER. There was discussion about the task order. Helberg stated a preference for storage on the farm due to the limited lot size of the treatment plant property. Cahill suggested the study include cost for demolition of the upper storage as an option to free up some space. President Keenan asked for a motion to approve the Task Order. Helberg made a motion, Cahill seconded and it was unanimously

RESOLVED, that Task Order #27 for \$19,400 for Sludge/Biosolids Alternative Analysis for possible incorporation into the Wastewater PER be approved.

- *Flathead Lake Brewery* – this was discussed earlier in the meeting, but Phelps had questions about what the District had spent on engineering for the Brewery issues. Cicon said that so far it was approximately \$500-\$800. Brewery engineering expenses are broken out on monthly statements from Morrison-Maierle. Reimbursement for this is included in their permit agreement. Phelps directed Julie to send a letter to the Brewery disclosing monthly totals and stating the District's intention to be reimbursed as a proactive measure.

NEW BUSINESS

Appointment of Randall Phelps by Acclamation

President Keenan asked for a motion to appoint Randall Phelps to the Board of Directors by acclamation. Cahill moved; Price seconded; and it was unanimously

RESOLVED, that Randall Phelps be appointed to the Board of Directors for a four year term ending January 1, 2019.

Board Committee Assignments

The Directors discussed committee openings and appointed committee members as follows

Annexation, Main Extensions & Construction -----	Helberg and Cahill
District Investments -----	Phelps and Price
Employee Insurance, Compensation & Certification-----	Helberg and Keenan
Pretreatment Regulations -----	Cahill and Price
Rate Structure -----	Helberg and Phelps
Rules & Regulation -----	Keenan and Price
Safety -----	Cahill and Price
Farm Land -----	Helberg, Loudermilk and Broston

Bank Signature Cards

Signature cards for all of the District's bank accounts at Flathead Bank were signed by the new sitting Directors and attested by Vickie. Julie will submit these to the bank.

Miriam Moore Water Quality Issue

Moore spoke to Julie about her well in Peaceful Acres that is 160' deep and dangerously high in nitrates and other pollutants for drinking water or even household use. The property is not in the District, but is adjacent to Bear Hollow and she was hoping to get an easement through a Bear Hollow lot and connect to the water system. District Rules and Regulations prohibit this and an exception to the rule sets a precedent for others to follow. This would ultimately create a "spaghetti" mess with service lines. The correct way to serve the area would be to do a main extension which would require an SID. There was discussion about what she would need to do to create an SID to serve that area.

Trickling Filter Media Removal

Peter Hoveland with Mountain High Construction submitted a bid for \$19,208 to remove the old trickling filter media and dispose of it. After discussion with Andy, it was decided that it would be less costly to have the employees do this as a winter project.

Maintenance Items

- Two broken sewer mains need to be relined. The first in Lake Pointe was identified when trying to diagnose a plugged line; the other is the main under the highway bridge that had a piling driven into it during the bridge rehab this past summer. Pro-Vac, a company out of Seattle, will be in the area and bid \$4500 to reline both. Helberg made a motion to accept the Pro-Vac bid, Phelps seconded and it was unanimously

RESOLVED, that the \$4500 bid from Pro-Vac for lining the two damaged sewer lines be accepted.

- Beach Lift Station was built in 1970 and has an issue with "rags" (disposables) getting wound up in the pumps and damaging them. The pump quit recently and when pulling it out for repairs, was dropped and broken. Andy ordered a new pump and pump shoe for \$13,766.64. There was discussion about the amount of lift stations and whether or not there was an inventory of items to help with budgeting. Julie explained that asset depreciation is a large fund without specific allocation. Phelps would like to see a line item budget with an asset replacement schedule and depreciation funds segregated by item. Cicon noted that the PER includes rehab pricing on some of the facilities. It was noted that the brand used, Gorman Rupp, is a District Standard when possible. Helberg made a motion to approve the expenditure, Cahill seconded and it was unanimously

RESOLVED, that the Gorman Rupp pump purchase for the Beach Lift Station be approved.

COMMITTEE REPORTS

Annexation, Main Extensions & Construction –

- no committee meeting

District Investments –

- no committee meeting

Employee Insurance Compensation & Certification

- *Employee Handbook* – Keenan and Helberg met, reviewed the initial job descriptions and made suggestions. Julie is using job descriptions from MT Rural Water as a starting place to define existing positions. As the descriptions progress, the committee plans to have Andy, Vickie and other Directors review them. Keenan said it would be a months-long process, as the job descriptions are starting from zero. When finished, they will be added to the Employee Handbook
- *Employee Drug & Alcohol Testing Program* – Drug testing began in November for the employees with a CDL driving permit. Julie and Andy will be attending supervisor training for participants in the drug pool.
- *Sergio Lopez* – Sergio completed his probation and was retained for permanent employment. Lopez will receive the scheduled \$1.50 increase. Helberg made a motion to approve the increase, Cahill seconded and it was unanimously

RESOLVED that Sergio's salary be increase by \$1.50 per hour.

Rate Structure / Budget

- *2016 Budgets and Rates* – Committee meeting to be scheduled.
- *Re-Use Rates--Resolution #74* – No committee meeting.
- *Asset Replacement Values* – Committee meeting to be scheduled.

Rules & Regulations

- District ownership of mains needs to be clarified in the Rules and Regulations

Safety

- Weekly safety meetings were held in October and the first of November. The topics are listed in the agenda. Cahill noted that the eyewash station was empty at Ramsfield and should be filled or deleted. Cahill said that if the chlorine was stored elsewhere and the eyewash station was "red-tagged" as inoperable, it would pass OSHA inspection. However, if someone was injured it would be better if it was in service.

Communications

- No other communications were presented.

President Keenan called for a motion to adjourn the meeting. Helberg motioned, Cahill seconded and it was unanimously

RESOLVED that the public meeting be adjourned at 9:09 p.m.

Secretary, Vickie D. Hemphill

President, Robert Keenan